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THE NEW YORK HERALD

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THE BEST IN ITS HISTORY. The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

PRICE TWO CENTS

'BIG THREE' AGREE ON FIVE CHIEF OBJECTS OF PEACE PARLEY; JAPAN ACCEPTS CHINA'S OFFER TO BUY SHANTUNG RAILWAY; DAIL IN STORMY SESSION FAILS TO UNITE ON PEACE DETAILS

IRISH MEET TO-DAY May Free Count Sigray

De Valera's Own Backers Urge Him to Make Concessions for Unity.

COLLINS DISCOURAGED

His Opponents Object to Inclusion in Empire and Assumption of Debts.

SECRECY IS MAINTAINED

Commission to Inquire Into Acts of Delegate at London Meeting.

Special Cable to The New York Herald. Copyright, 1921, by The New York Herald. stormy secret session caused by the ontinued opposition of Eamon de lalera against the Irish agreemen igned at London the Dail Eireann o-night adjourned again to meet in ecret to-morrow, with a promise of pen debate on the agreement by Sat-

Mr. de Valera's attitude has so delayed the progress of the work of the Dail that the patience of the sponors of the agreement has been tried seriously, and some of Mr. de Vaera's own supporters have appealed or a broader vision and an attempt at unity among Sinn Fein leaders.

When Michael Collins, the fighting Sein Fein delegate to London, left the conference room this afternoon and was asked how things were go-ng, he replied: "Very badly." A litle earlier in the day Mr. Collins had

said that no progress had been made. "We are no nearer an agreement Craig left Belfast for London. may reach an agreement and have a public session Friday to vote definitely on ratification or rejection of

Mr. Collins's hope was not realized.

Committee to Investigate.

While the greatest secrecy is being maintained regarding what is going on behind the Dail's closed doors The New York Herald's correspondent here learned in well informed circles that the doings of the Sein Fein plenipotentiaries in London have mittee for investigation. At the same

who signed in London are determined to make public their reasons for signing. So Irishmen at home and abroad may understand that they are not "traitors," as was charged yesterday. Those who would reject the agree. "Not only is this opposed to your is an all the same as all the other instance."

It is sum ympathes to the strick sympathes to the strick of the trish Free State. Sir James says he reserved to the Ulster Government the right of dissenting from the appointment of the boundary commission and he protests against the declared intention of your Government to place northern Ireland automatically in the Irish Free State."

Mr. Howell sald yesterday he had been a personal friend of Mr. Frothingham and did not care to discuss the Salvador ment to place northern Ireland automatically in the Irish Free State."

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Not only the Irish Free State." Those who would reject the agreement also are determined that their views shall be understood. Thus, it would appear, if the Dail does not reach some kind of an agreement speedily in its secret sessions the speedily in its secret sessions the speedily in the Irish Free State."

"Not only is this opposed to your pledge," the letter continued, "but it also is antagonistic to the general principles of the British Empire with regard to the liberties of her peoples."

The Ulster Premier said it is true that Ulster gets the right to contract when the proposed to your pledge," the letter continued, "but it also is antagonistic to the general principles of the British Empire with respect to the proposed to your pledge," the letter continued, "but it also is antagonistic to the general principles of the British Empire with respect to the proposed to your pledge," the letter continued, "but it also is antagonistic to the general principles of the British Empire with respect to the principles of the British Empire with respect to the principles of the British Empire with respect to the principles of the British Empire with respect to the principles of the British Empire with respect to the principles of the British Empire with respect to the British Empire with respect to the principles of the British Empire with respect to the British

Indications are that those who favor ratification stand in more compact ranks than does the opposition, led by Mr. de Valera. Some of the objectors stand against any inclusion of Ireland in the British Empire; others object to the Privy Council acting as the supreme court of appeal. Still another group objects

State.

"The action of the British Cabinet in this matter," the letter went on to say, "is a complete reversal of their policy as declared in the King's speech at the opening of the Northern Parliament, and also in the published correspondence between you and Mr. De Valera. This policy was that Ulster should remain out until she chose of her own, free will to enter an all Ireland Parliament."

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own, free will to enter an all Ireland peal. Still another group objects stresponsive to Ireland taking on her shoulders any part of the British in debtedness growing out of the war.

Dail Wants Unanimity.

Meanwhile the Dail has taken on itself the task of effecting a unanimous attitude toward ratification of the pact, a move that is regarded as favorable by Mr. Griffith's following. It was reported that Mr. de Valera had been exhorted by such a strong partisan of his as Erskine Childers, who was one of the expert advisers at the London tentum of the inducements held out

posals this morning which the signers

Continued on Page Four. entrical and Hotel and Restaurants

by Vienna Compromise Special Cable to THE NEW YORK HEMALD Copyright, 1921, by THE NEW YORK HEMALD

JIENNA, Dec. 15 .- A compro mise agreement has been reached by leaders of the Hungarian National Assembly re-garding the Carlist leaders who were arrested following the abor-

tive attempt by ex-King Carl to re-gain the throne by which they will be tried by the regular courts stead of by courts-martial. If the scope of the compromise is ex-tended, four Deputies, including Count Sigray, who married Miss Harriet Daly of New York, will be given their liberty immediately.

ULSTER BODY RAIDED AFTER BACKING DAIL

Fermanagh County Council's Building, Books and Papers Seized by Police.

DUBLIN, Dec. 15. -- After another CRAIG GOES TO LONDON Judge Augustus N. Hand in the United

Tells Lloyd George in Letter of North's Resentment of Boundary Plan.

BELFAST, Dec. 15 (Associated Press). When a majority of the County Council of Fermanagh, an Ulster

sion of the Dail adjourned yester-sion of the Dail adjourned yester-situation was created by Mr. Lloyd day before Mr. Lacombe. It is expected to considerable time will be required to han we were when the public ses- official reason given was that a grave hat in the third session to-night we daries in his latest speech to the

House of Commons. Sir James in a letter to Mr. Lloyd George says that in a statement which Mr. Lloyd George gave to him on November 25 the Premier had promised

plenipotentiaries in London have been placed in the hands of a committee for investigation. At the superior of the superior

cuss their points publicly. They propose, if possible, to settle their dispute secretly and meet openly only to act formally on their decision.

It was stated authoritatively tonight that the Sinn Fein delegates in London are determined.

"At our meeting December 9 you complained that it was only contended to make a slight readjustment in our boundary line, so as to bring into northern Ireland loyalists who now are just outside our area and transfer a correspondingly equivalent number of those laving. Sinn Fein sympathies to the area of the Irish Free State."

fight will be waged in a public ses-out of the agreement, but only after her automatic inclusion in the Irish Free

of the expert advisers at the London conference. Childers would have him make certain concessions in the hope of being able to turn the tide for a unanimous decision.

Mr. de Valera made several pro
Mr. de Valera made several pro-

Continued on Page Four.

FROTHINGHAM FRAUD CHARGES TO BE TRIED FIRST IN WRANGLE

Litigation Over Stock Broker's Property Narrowed to Single Issue.

17,000 PERSONS INVOLVED

Many Prominent Men Bought Securities in El Salvador

Legal obstacles in the way of testing the fraud charge made by holders of El Salvador Silver Mines Company Inc., stock against Thomas H. Frothingham, until recently member of the Stock Exchange and prominent socially, were all removed yesterday by States District Court.

Representatives of the Frothingham state, now in the hands of trustees, agreed to stipulate that if the fraud charge as alleged in the Salvador case. is established before E. Henry Lacombe, special commissioner, then Mr. Frothingham will admit his insolvency. Upon such an agreement Judge Hand denied the motion made by the Salvador petitioners to examine Frothingham and the trustees in charge of his

county, decided to-day to recognize the authority of the Dail Eireann, the police seized the council building and all its books and documents.

[Fermanagh has been mentioned as one of the counties that would be taken from Ulster by a boundary commission.]

Following the making public of the Ulster Cabinet's definite rejection of the Imperial Government's invitation to enter the Irish Free State, Premier

considerable time will be required to examine all the witnesses, who will tell how they came to purchase the Salvador stock and what representations were made to them to persuade them to invest in the Central American silver mines. Representatives of Mr. Frothingham declared they were quite willing to sign the stipulation admitting his insolvency in the event of the fraud charge being sustained. They contended that this

\$3,000,000, but it is said that much of the stock was sold at prices ranging from \$2 to \$5 a share.

Many prominent names appear in the list of stockholders. One is William Rockefeller of 26 Broadway, who is down on the books for 50,000 shares. Among the large owners, according to the list, are Thomas A. Howell and members of his family and business escolates. The Arthur Griffith and Mr. Collins, for the history of the British Empire Thomas A., Frederick H. and Amelia Howell. James H. Post of 129 Front street is down for 121,000 shares, and Corrine H. Wiley of 129 Front street for 10,000 shares.

stuck" the same as all the other in-vectors.

Some of the other stockholders of rec-

ord as shown in the list presented by the petitioners in the legal action are Charles Toy of 25 Broadway, 50,000 shares; G. W. Shepherd, 120 Broadway, 2,000 shares; Wade Templeton & Co., 42 Broadway, 27,000 shares; Henry W. Wilmayt, 5,000 shares; Edward Meiner and family of Bronxville, 15,000 shares; Wilburgs, Nassau street, 23,500 shares; A. J. McAllister, 133,000 shares, and Frank D. Lackey of Wilmington, Del. 80,000.

Mr. Lackey is one of the three petitioners in the action, and it is stated that he paid \$2,50 a share and that misrepresentations were made to him. The answer made to the latter is that Lackey had all the information available to Mr. Frothingham. There are some 17,000

'BABY' BROWN WINS HARVARD SCHOLARSHIP Wealthy Newport Senior Ex-

celled in Class Standing.

Special Despotch to THE NEW YORK HERALD.
CAMBRIDGE, Mass., Dec. 15.—John
Nichole Brown of Newport, R. I., a
millionaire in his own right, is winner
of a Harvard Collece scholarship, ac-

Brown has been a national figure. Since his birth, the name of "Baby" Brown still sticking to him, He will be graduated from Harvard in June.

Senate Votes Holiday Recess; Is Up to House

ASHINGTON, Dec. 15.—The Senate to-day adopted the Curtis resolution that Con cress adjourn for its holiday reces from December 22 to January 3. The resolution now goes to the House, where favorable action anticipated.

\$273,000,000NEEDED FOR HYLAN BUS PLAN

Eight Cent Fare Would Be Lowest Also, Transit Commission Hears.

DANGER IN CITY LINES

Head of Fifth Ave. Coach Co. Says Capsizing Is a Menace With the Company.

The Transit Commission listene esterday to some figures which would be highly enlightening to persons who share Mayor Hylan's obsession in favor of "scrapping" the decrepit sur-

New York surface car lines at pres ent are carrying a billion passengers Avenue Coach Company demonstrated that to substitute sufficient buses to carry that number of passengers would modations for them, and that, incldentally, the city would have to scrap more than \$200,000,000 of investment

John A. Ritchie, president of the Fifth Avenue Coach Company field furthermore that these 1,000,000. road, the discussion centred on the mode of payment. No decision was reached, and the discussion will be continued tocarried at less than an eight cent fare, morros ng hus lines all over the city.

mr. Ritchie, answering Clarence J. Shearn, special counsel to the commission, said he had studied the Grover Whalen vehicles, to which Judge Shearn referred as "these fitney buses that are hopskipping around the city in different quarters."

Here is just a mild sample of what Mr. Ritchie said of them:

Like Cattle Packing in Buses. "They pack them in like cattle. We believe that many times they have acked them to the point of danger of apsizing. You have a live load in there hat is weaving and these litneys are

proposition."

Gen. O'Ryan inquired: "This road up on the Boulevard and Concourse in The Bronx—is that classified as a jitney?"

"I would not like to classify that," replied the witness; "it is a mongrel of

ever, would apply to it along with the others. "All these are trucks," he said; "some of them are good—as trucks—but they have improvised bedies placed on top of them with a high centre of gravity."

Samuel Borrow, auditor of the com pany, had submitted voluminous records to prove that if the Flith Avenue Coach Company had been operating for a 5 instead of a 10 cent fare it would have had for the fiscal year 1921 a net deficit will also a submitted of the actual profit. of \$1,315,115 abstead of its actual profit
of \$1,117,725. For 1920 there would
have been a net deficit of \$1,236,471;
for 1919 one of \$889,342; for 1918 a net
corporate loss of \$907,577, and for 1917
one of \$466,300.

6.77 Cents for Each Passenger. into actual operating cost. Adding to this .85 cent for taxes, of which the city's 5 per cent gross earnings tax represents 5, adding also .8 of a mill for each passenger, which goes into a reserve to pay injury and damage for each passenger, a reserve to pay injury and damage claims, and 6 mills a passenger into the reserve for depreciation and obsolescence, it is seen that after taking out 5 per cent. Interest on capital investment there remains of the dime 1.14 cents as the company's net income therefrom.

For the entire thirteen years the bus made the passenge was \$50,150,660,67 and in the passenge was \$50,150,660,67 an

ducting from this sum \$1,245,245.37 for depreciation and obsolescence reserve and \$155,986.42 for damage claims accrued but unpaid, the gross income for the thirteen years amounted to \$3,405,070.35.

Further figuring showed that the company is operating 20 buses, which

Continued on Page Three

ful service to discriminating travellers. Service in little things as well as bler-sorvice that makes a trip on the Broadway Limited a pleasing memory. Leaves New York, ponnsylvania Station and Hudson Terminal. 2:55 F. M. daily, arri is Chicago 2:55 A. M. Pennsylvania Rairoze the Short Lias.—Lieu Pennsylvania Rairoze the Short Lias.—Lieu by the entire Washington conference.

CHINESE SEEK END OF FOREIGN CONTROL BY CASH PAYMENTS

Japanese Delegation Accepts Proposal Subject to Approval of Tokio.

CONSORTIUM TO OPERATE

Settlement of Shantung Question Brought Near by Day's Negotiations.

WASHINGTON, Dec. 15 (Associated ress).-Subject to Tokio's approval the Japanese delegation accepted the Chinese offer to pay 53,000,000 gold German marks for the Klachou Tsinanfu railroad in Shantung, plus what Japan has made in permanent improvements but less deterioration.

the two delegations were renewed this afternoon the Chinese offered to buy the railroad outright in cash, but the the number of Japan's capital ships Japanese, it was said, raised questions the same; that is, ten, as under the as to why this course was proposed. American proposal. The retention of pointing that all other railroads in the Mutsu by Japan in place of the China had been built with the aid of Settsu makes a difference in net tonforeign loans.

The Chinese delegates replied that the Chinese consortium was ready to 313,300 tons, as against 299,700 tons finance the restoration of the rallroad under the original American proand China's desire was to make use posal. require an initial expenditure of \$73 .- of this to do away with "foreign con-

tain from ore helds involved in the dis-puted railroad remains to be settled, but, according to the Chinese, probably will not be reached until the method of pay-ment of the road proper is agreed upon. The following statement was issued by the Chinese and Japanese delegations after the meeting:

Further progress was made in the thirteenth meeting of the Chinese and Japanese delegates relative to the question of Shantung in their discussion about the Tsingtao-Tsinanfu Rallway. The meeting was adjourned at 6 P. M. 1981, 2021. at 6 P. M. until 2:30 to-morrow after-

JAPAN READY TO SELL KIAOCHOW R.R.TO CHINA Purchase Price Might Be Big Loan of 30 or 40 Years.

Tokio, Dec. 15 (Associated Pre Japan has consented to the purchase by China of the Kiao-Chow-Tsinanfu Rail-

The Government is considering several plans under which the transfer of the railroad can be made. In any case, it is said, Japan anticipates retaining a coperative interest in the railway, while transferring the title to China. It has been suggested that the purchase likely would embrace the form of a loan payable over a period of from thirty to forty years.

"The maximum limitation for the tomorphism to be constructed in respect to the said of t

Mr. Ritchie testified that of every dime fare received from passengers in the chirteen years ended on June 20, 1920, an average of 6.77 cents has gone FROM GERMANS IN 1914 Allies Gave Tokio Right to Build Extensions.

from the port of Tsingtao by way of Kiao-Chow, in the eastern part of Shantung, to the capital, Tsingn, on the western border. From Tsingn one broads.

demands in 1915, and in 1917 a secret treaty with her allies gave to Japan the privilege of extending the road west from Teinan and building a branch south to Soochow. The construction of these branches would have given Japan control of the entire province of Shan-

CHINESE WOULD HAVE PARLEY DECIDE DISPUTE Opposition Develops to Direct

Negotiations With Japan.

PERIN, Dec. 15 .- Demonstrations are being held by students and merchants in various parts of the country in oppo-sition to the direct negotiations being conducted at Washington between Chi-nese and Japanese delegates on the

NAVY RATIO ADOPTED; **WILL SCRAP 68 SHIPS**

United States, Britain and Japan Agree to 5-5-3 Basis Ten Year Holiday, and No Increase in Forts and Bases in the Pacific-Nippon Keeps Mutsu.

WASHINGTON, Dec. 15 (Associated Press) .- The text of the agreement or limiting naval armament reached by the United States, Great Britain and Japan was given out to-night by the committee on naval armament a follows:

"The following are the points of agreement that have been reached in the course of the negotiations between the United States of America Great Britain and Japan with respect to their capital fighting ships:

"An agreement has been reached between the three Powers-the United States of America, the British Empire and Japan-on the subject of naval ratio. The proposal of the American Government that the ratio should be 5-5-3 was adopted. It is agreed that with respect to fort and naval bases in the Pacific region, including Hong Kong, the status quo shall be maintained, that is, that there shall be no increase in these fortification and naval bases, except that this restriction shall not apply to the Hawaiian Islands, Australia, New Zealand and the islands composing Japan prope or, of course, to the coasts of the United States and Canada, as to which the respective Powers retain their entire freedom.

Billion Gold Marks Due

Jan. 15 and Feb. 15.

to Be Gone-French Cabinet

Will Meet To-day

Paris, Dec 15 (Associated Press).

before the Reparations Commission

gations requested by Germany, which apparently has left the matter en-

tirely in the hands of the Reparations

The last paragraph of the brief note

iled "reparations holiday," or a delay

ernment has made every effort to in-sure the payment of the two instal-ments shortly due under the terms of the schedule of payments of May

of these efforts depended on a for-eign loan, and that in transactions of this nature the active collaboration

eign loan, and that in transactions of this nature the active collaboration of British financiers was absolutely necessary, the German Government opened negotiations in England with regard to this loan.

From a competent authority it has

received a reply to the effect that in

The Government therefore is obliged to request the commission to extend the time limit for payment of a portion of the instalments of January 15 and February 15, which

it cannot pay on those dates.

The Government confines liself to this request, although it realizes that similar difficulties will arise in connection with subsequent pay-

President Millerand will preside to-

each of 500,000,000 gold marks.

"The Japanese Government has found special difficulty with respect **GERMANY NOTIFIES** to the Mutsu, as that is their newest ship. In order to retain the Mutsu Japan has proposed to scrap the Settsu, one of her older ships, which under the American proposal was to have been retained. This would leave nage of 13,600 tons, making the total tonnage of Japan's capital ships BALKED ON BRITISH LOAN

"While the difference in tonnage small, there would be considerable dif-Mr. Hanihara of the Japanese delega-tion said after the meeting that satis-factory progress had been made toward a settlement of the Shantung question.

but would give no details.

From the Chinese, however, it was learned that after the provisional acceptance of the Chinese financial offer for tance of the Chinese financial offer for complete Chinese control over the rail-complete Chinese control over the rail-complete two of the ships in course of road, the discussion centred on the mode the Washington, which are now about 90 per cent. completed, and scrap two of the older ships, that is, the North even if the more luxurious features of the spread of the s ations Commission set up under the der the original proposal were to be retained. This would leave the United is to pay Germany.

The question of coal mines and certain iron ore fields involved in the disputed railined remains the original proposal, with a tonnage the original proposal, with a tonnage of 525,850 tons, as against 500,650 tons as originally proposed. Three of the ships would be post-Jutland ships of

the Maryland type. Two New Ships for Britain.

"As the British have no post-Jutland ships, except one Hood, the construction of which is only partly post-Jutland, it is agreed that in order to maintain is agreed that in order to maintain however, gives a strong intimation that proper relative strength the British Gov-Germany sees no way out of the finanthat is, calculating the tonnage according to British standards of measurement, or according to American calculations the equivalent of 37,000 tons each. It the equivalent of 37,000 tons each. It is agreed that the British Government shall on the completion of these two new ships scrap four of their ships of the King George V. type; that is, the Erin, the King George V., the Centurion and the Ajax, which were to have been the critical American.

The text of the note, which is signed to the Alies that similar during the content of th

the King George V., the Centurion and the Ajax, which were to have been retained under the original American proposal.

"This would leave the British capital ships in number twenty, as against twenty-two under the American protections of the two twenty-two under the American protections."

Taking the tonnage of the two twenty to the Reparations Commission during its visit to Berlin, the German Government has made every effort to install-China of the Kiao-Chow and the food in Shantung. Instructions with restard to this were sent to the Japaneso delegates in Washington several days ago, according to a competent authority, and consummation of the sale depends on an agreement as to method and also to some extent on China's attitude on other pending problems.

The Government is considering several the Government is considering several sales which the transfer of the sale graph of the sales of \$52,050, instead of \$604,450. The sales which the transfer of the sales graph of the

nage of ships to be constructed placement is to be fixed at 35,000 placement is to be fixed at 35,000 legend tone, that is, according to British standards of measurement, or according to American calculations, the equivalent of 37,000 tone, in order to give accommodation to these changes. The maximum tonnage of capital ships is fixed, for the purpose of replacement, on the basis of American standards of calculation.

comparing this arrangement with the original American proposal it will be observed that the United States is to scrap thirty ships as proposed, save that there will be scrapped thirteen of the fifteen ships under construction and seventeen instead of fifteen of the older ships.

How Each Nation Stands.

"The total tennage of the American capital ships to be scrapped under the original proposal, including the tennage of ships in construction if completed, was stated to be \$45,740 tens. Under

was stated to be \$45,740 tons. Under the present arrangement the tonnage of the thirty ships to be scrapped, taking that of the ahips in construction, if completed, would be \$20,540 tons.

The number of the Japanese ships to be retained remains the same as under the original proposal. The total tonnage of the ships to be scrapped by Japan under the original American proposal, taking the tonnage of new ships when completed, was stated to be 448,923 tons. The total tonnage of the ships to be scrapped under the present arrangement is 435,328 tons. is 435,328 tone.
"Under the original proposal Great Britain was to scrap nineteen capital

PLORIDA - ATLANTIC COAST LINE. Traine daily. Office, 1246 Broadway .- Adv.

NAVY RATIO FIXED

U. S. Scraps 820,540 Tons. Great Britain 605,975 and Japan 435,328 Decision.

TOKIO SAVES MUTSU

Pacific Forts and 10 Year Holiday Agreed On, but Submarines Pend.

CONFERENCE NEARS END

Franco-Italian Ship Status, China and Far East Agenda Still on Programme.

By LOUIS SEIBOLD. ial Despatch to THE NEW YORK HEEALD

New York Herald Bureau, | Washington, D. C., Dec. 15. Three new international agree ments were added to-night to the two already accomplished, and estab Can Pay Only 200 Millions of lished more firmly the foundation on which the Washington conference is building a permanent structure for

In announcing the greatest step since the armistice the American delegation making known the naval agreement reached by the govern ments of the United States, Great Hope of Aid From U. S. Said Britain and Japan expressed the opinion that the most difficult problems facing the international conference have been amicably and success-

fully solved. The three agreements to follow the treaties among the United States rmany will not be able to meet in her reparations payments of respect one another's rights in the 1,000,000,000 gold marks falling due January 15 and February 15 and has Pacific and the American-Japanese agreement giving this country equal so informed the Allied Reparations rights in Pacific mandates of the lat

A moratorium is not asked for by ter nation are: the German Government in its note, which merely lays Germany's finan-1. An agreement among the United States, the British Empire and Japan on the subject of capi evidence of Germany's inability to meet the forthcoming instalments, tal naval armaments under the revised terms of which the essential teatures of the American plan Neither is any release from her obli-

are preserved. 2. An agreement among the same nations providing that the status quo shall be maintained with respect to the fortifications and naval bases in the Pacific region, including Hong Kong. which Great Britain desired to

have exempted. 3. An agreement providing for a naval holiday of ten years with respect to capital ships, as originally proposed by the American Government, except for the permission for Great Britain to con struct ships to take the place of units retired under the amended agreement.

Nearing the Final Stages.

In making known the new agreements the American delegation communicated the fact that the only naval problems remaining to be solved relate to allowances to be made for France and Italy and the determination of the ratios of submarines. With the exception of these two topics and those on the Far Eastern agenda the work of the conference has progressed to definite and

China in short order. people of the three countries, which

Under the capital ship agreement, which will be reduced to the form of a treaty and submitted to the Senate, Japan agrees to scrap ten capital ships, with a tonnage of 435,328; Great Britain twenty-three ships, with a tonuage of 605,975, and the United States thirty, with a tonnage

final stages. Confidence was expressed by American delegates to-night that the settlement of the Shantung controversy. which appears to be approaching a

satisfactory conclusion, would pave the way for an agreement regarding It is believed the decision reached over the ratio of capital ships will result in far reaching benefits to the

will scrap a total of sixty-eight capital ships, representing a tonnage of 1.861.843.

of \$20,540.

Continued of Page Four.

received a reply to the effect that in view of the claims now advanced for the coming year, that is, the financial obligations of the German Govern-ment to the Reparations Commission, such a loam could not be obtained in England, either in the form of a long dated loan or in the form of a long dated loan or in the form of a short dated bank credit.
Under these efreumstances the Government cannot anticipate the possibility of procuring the sums necessary for the total payment of the instalments of January 15 and February 15, 1922.

Even by exerting every effort, and without considering the requirements of her own budget, the Government cannot procure for these instalments, apart from deliveries in kind and credit derived from recovery acts, a sum more than 150,000,000 or 200,000,000 gold marks.

The Government therefore is

President Milierand will preside tomorrow at a council of the Cabinet Minleters at which the German note will be
discussed and the attitude of the French
Government probably determined.

The Reparations Commission also will
meet tomorrow morning, and in reparations circles to-night the belief was expressed that it would be decided by the
commission to deefr discussion on the
note and refer it to the Allied Governments. The note also is expected to form
the chief topic of discussion at the approaching conference between Premier

Britain and Japan to assist the United Britain and Japan to assist the United States in providing the great reforms